

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

VOLUME I, NUMBER 17

WASHINGTON, D. C.

JANUARY 13, 1932

HITLERITES GAINING STRENGTH IN GERMANY

Held Possible That They May Soon Be Able to Obtain Control of the Government

FOREIGN COMPLICATIONS SEEN

Hitler's Threats to Repudiate Post-War Treaties Cause European Anxiety

A struggling and depressed Germany has shaken the twelve troublesome months of 1931 from its shoulders. Scarred and bruised it staggers on toward its destiny. But if the year just elapsed was a critical and anxious one for the German people, it appears that the months to come may bring even greater uncertainty—even more uneasiness. On the one hand the distracted people must look forward to a continuation of the financial distress which nearly caused them to collapse last summer. On the other, it seems clearly possible, that they may now be facing the prospect of a political upheaval—an overturn, the consequences of which cannot easily be predicted. Adolf Hitler and his Fascists are vigorously calling upon the Germans to give them an opportunity to remake their nation—to give them new life, new hope and to free them from the bondage of foreign nations. More and more the people are listening to the eloquent speeches of Hitler. Closer and closer the moment when he might come into power appears to be drawing. Just when it will come, and whether it will be successful, must be left to the future to answer. But it may be stated with certainty, that the arrival of Fascism to Germany would be productive of many important and far-reaching consequences, some of which could not but be disturbing to the political stability of Europe.

WHO IS HITLER?

Therefore, since it seems to be well within the bounds of possibility that such a major political event may take place in Europe, it is important to inquire into the nature of this German Fascism which clamors so persistently for recognition. Who is Adolf Hitler? What types of people sympathize with and support him? What will he do if given power, and how will his actions affect the rest of Europe? These are all questions to which statesmen everywhere are giving serious thought in these trying times.

Strangely enough, Adolf Hitler is a man without a country. Born an Austrian he saw fit to enter the World War under the German flag, an action which cost him his citizenship in the land of his birth. Since the war he has spent his time in building up a Fascist movement, and in 1923 actually attempted to establish his supremacy by revolution. The disturbance was short-lived, and Hitler was sentenced to five years of imprisonment. He was released at the end of a year, and it appeared that the Hitler movement was dead. But in 1929 depression and discontent swept over Germany. Heavily burdened as they were, many people began to yearn for a change which they hoped would bring better times. Hitler, taking advantage of this opportunity, held out the promise of a change which he said would restore the former splendor of Ger-



© Wide World Photos

ADOLF HITLER AND HIS AIDES

many. He made frequent speeches, all of which were fiery and persuasive. Those speeches bore fruit in September, 1930, when, in a general election, the National Socialist or Fascist Party became the second largest in the German Reichstag. Where they formerly had held but 12 seats, they found themselves in the possession of 107. Since then the Hitler movement has grown apace. Many believe that were another general election to be held today, the Fascists would obtain a clear majority in the Reichstag and Dr. Brüning would be forced to relinquish his position as chancellor of the Republic.

But it may not be necessary to wait for such an election. It is possible that the Fascists may combine with members of other parties to obtain a majority. The Reichstag will meet in February, and there is so much discontent prevalent in Germany at present that there seems to be little doubt that there will be a serious parliamentary crisis. Or, some unfavorable development, which might conceivably take place at any moment, may bring about a Fascist revolution, so uneasy is the state of Germany today.

THE FASCIST PROGRAM

What, then, is the program of Adolf Hitler and his Fascist Party? What are they most likely to do if given power in Germany? This cannot be answered with complete certainty. Hitler has not completely defined the course of action he would take if established at the head of the government. He has, however, stated his position with respect to foreign affairs,

and has given some indications of what he would do in the matter of domestic policy.

Probably the first thing Adolf Hitler would do if his Fascist movement should prove successful, would be to declare that Germany would no longer pay reparations. Hitler has consistently held to the theory that Germany should not be made to bear full responsibility for the war and that it should not be forced to pay for the damage done. He has stated this so vigorously and so frequently that doubtless he would not choose to act otherwise in the event that he were empowered to make a decision.

But the Fascist program does not stop with this. Hitler has often denounced the treaties which were concluded after the war, and has persistently called for their revision. He believes that all Germans should be brought together under one head. This would mean the annexation of Austria and the return to Germany of land which was taken from her after the war. There are many Germans in Poland, Czechoslovakia and France, for instance, and the return of all these to Germany would mean a remaking of the map of Europe. For Hitler to attempt to bring this about by revising the Versailles Treaty would certainly bring trouble. A majority of the nations of Europe are determined that the Treaty of Versailles shall not be touched.

DOMESTIC POLICY

In the domestic field the position of the Fascists is not so clear. Hitler does not
(Concluded on page 7, column 1)

CONGRESS CONSIDERS DEPRESSION PROGRAM

Reconstruction Corporation Would Endeavor to Assist Industries in Distress

LIKE WAR FINANCE AGENCY

Emergency Measure Provides For Two Billion Dollars to Make Loans

Prior to the adjournment for the holiday recess, Congress spent most of its time discussing foreign affairs. The issue which provoked the most heated debates on the floors of both houses was that of the moratorium or debt postponement plan. It was not until the eve of the recess that the bill was finally accepted by the Senate. But during those fourteen days, committees were busy preparing the groundwork for the consideration of the many important problems with which the legislative bodies will be dealing during the remaining months of the present session. The major issue confronting Congress when it resumed its activities on January 4 was not a foreign problem, but one designed to help combat the depression in this country. It was the consideration of the recommendation made by President Hoover in his annual message to establish a large finance agency, to be called the Reconstruction Finance Corporation, the duty of which would be to assist the industries of the country now in financial distress.

SPECIAL MESSAGE

So important did the president consider this and seven other measures designed to relieve the depression that he sent a special message to Congress when it reconvened, urging immediate action. "Combating a depression," said Mr. Hoover, "is, indeed, like a great war, in that it is not a battle upon a single front, but upon many fronts. These measures are a necessary addition to the efficient and courageous efforts of our citizens throughout the nation." Upon receipt of this unexpected message, congressmen immediately entered upon the consideration of these relief bills.

The most important of these, the Reconstruction Finance Corporation measure, is supposed to help business by making funds available to those industries which have undergone strain during the depression, thus helping to ward off collapse and bankruptcy. As planned, it is to be a government organization, brought into being by an act of Congress, directed by men appointed by the president with the consent of Congress, and obtaining part of its funds from the federal treasury.

WAR FINANCE CORPORATION

This huge government undertaking, if acted upon favorably by the members of Congress, would be patterned along the lines of a similar organization brought into being during the World War and called the War Finance Corporation. This organization was designed to render a service during a time of great need just as the proposed Reconstruction Finance Corporation is meant to play an important part in the crisis which confronts the industrial structure of the country today. It may be well to inquire how the War Finance Corporation worked in order that we may better understand the present proposal to establish a similar relief organization.

The primary object of the War Finance Corporation, first established in April, 1918, was to offer financial aid to the industries necessary for the carrying on of the war, or those which contributed in some way to its execution. The government felt at that time that it could not afford to let those vital industries be made less efficient through a lack of funds. Many industrial concerns had to build new plants in order to supply the increased demands of the country. They were faced with the problem of buying new equipment and raw materials in order to turn out the large volume of products which the government had to obtain in the great emergency. An organization was, therefore, set up to make loans to these industries. The government supplied the War Finance Corporation with funds totalling \$500,000,000 for this purpose. The corporation also had the right to raise more money by selling its own bonds, or obligations to pay at a future date, if the money which the government had furnished was insufficient to make all the advances requested and deemed essential. It was Mr. Eugene Meyer, now head of the Federal Reserve Board, who directed the affairs of the Corporation.



© Henry Miller
EUGENE MEYER
Who directed the activities of the War Finance Corporation

American industries were helped in two ways by the operations of the War Finance Corporation. In the first place, it made loans to the banks which had bought bonds from, or which had otherwise lent money to, the various industries engaged in the manufacture of products needed for the war. Thus, the banks were able to help these concerns indirectly by not requesting them to repay their debts until after the war. The second method by which the War Finance Corporation helped the vital industries was by lending money to them directly, at reasonable rates of interest. In this manner, it was possible to assist the public utility companies, the manufacturers of food products, the railroads, or shipping interests in need of funds.

HELP TO WAR INDUSTRIES

During the war, the War Finance Corporation made loans amounting to \$306,000,000 to the various banks and industries which lacked capital. It lent several million dollars to public utility companies; it advanced some \$200,000 to canners of food products; it made money available to the growers of live stock who were confronted with the problem of not having enough cash to feed their live stock because of a severe drought which had swept over many agricultural sections of the country during the summer of 1918.

This Corporation, however, did not pass from existence at the end of the war. Although it was the original intention of Congress to have the agency dissolved six months after the cessation of hostilities, it was felt that additional financial support was necessary during the period of adjustment which followed the conflict. In March, 1919, therefore, the War Finance Corporation was authorized to make loans to exporters or to banks engaged in exporting goods from this country to foreign ports. It advanced more than \$46,000,000 for this purpose, part of which was used to make possible the exportation of locomotives to Poland, agricultural machinery to Great Britain, France and Belgium, and cotton to Czechoslovakia. It was also during this post-war period that it rendered assistance to the railroads of the country which were at that time, as at present, in distress. It lent them some \$200,000,000.

By 1920, however, most American in-

dustries had become sufficiently stable to stand on their own feet without financial aid from the government. It was accordingly decided to stop the activities of the War Finance Corporation.

AGRICULTURE RELIEF

But the Corporation was revived the following year because of distress which prevailed among the farmers of the country. Prices of farm products had sunk to low depths, and Congress deemed it advisable to offer relief to the farmers through the War Finance Corporation. It was thought that financial aid from the government would restore prices or at least prevent them from sinking lower. "The best way," the argument went, "by which we can do this is to stimulate

exports of agricultural products. We should allow the War Finance Corporation to make loans to finance these exports." And so the Corporation advanced \$38,000,000 to finance exports of cotton, wheat, tobacco, dried fruits and meat products. Some of the loans were made directly to the exporters, some to companies organized for the purpose of marketing farm products, while the greater part was turned over to the banks which were financing these exports.

The distress among the farmers, however, was so great that the War Finance Corporation was granted the power to make loans which would directly help those engaged in agriculture.

Particularly affected was the cattle industry because of a sharp decline in prices in 1920. The Finance Corporation made large loans to prevent banks and cattle growers in those regions from falling into bankruptcy. The money advanced for agricultural relief reached many farmers throughout the country. From the time of its revival in 1921 until its dissolution in 1925, the Corporation indirectly made loans to farmers through 4,317 banks, and a number of marketing associations and live stock loan companies.

Thus we see the War Finance Corporation was brought into being to meet emergencies both during and following the war. The creation of the Reconstruction Finance Corporation, now proposed by President Hoover, would also be for the purpose of meeting an emergency—that which confronts many of our basic industries under the present unfavorable conditions. One of its important functions would undoubtedly be to make loans to the railroads which are now badly in need of money to pay their expenses. (See AMERICAN OBSERVER, January 4). The railroads will need more than \$200,000,000 to meet payments due on their bonds and interest during the coming year. Although additional funds are to be obtained from the increased freight rates, many of the railway leaders have called attention to the fact that they will need larger sums. It is argued further that other industries are in need of greater credit facilities to help them weather the present depression. The reconstruction bill, however, as drafted, does not provide for direct loans to these industries. But business companies would derive benefits because the banks could borrow money from the Corporation and would thus be in a position to make loans to their customers.

TWO BILLION DOLLARS

The Reconstruction Finance Corporation, if created, would have \$2,000,000,000 which it could lend to American industries, the greater part of which would be made available through the banks. It would obtain \$500,000,000 from the federal treas-

ury. Then, the Corporation itself would be authorized to sell its bonds amounting to \$1,500,000,000 just as the War Finance Corporation was permitted to do. It would be governed by a board of directors composed of five men, including the secretary of the treasury, the governor of the Federal Reserve Board, the Farm Loan commissioner, and two members to be appointed by the president with the advice and consent of the Senate. It is thought that Eugene Meyer would be in charge of the proposed organization because of his experience as head of the War Finance Corporation.

In proposing the establishment of this corporation, President Hoover wishes to provide a source of money to all industries of the country now in need of additional financial strength to support them. It has been stated that if the tremendous sum of \$2,000,000,000 were made available, it would greatly bolster many of the agricultural and industrial sections now in a weakened condition. That the proposed corporation is meant as an emergency measure is evidenced by the fact that the president recommends that it be kept in operation for only two years, at the end of which time its activities shall be discontinued.

The bill calling for the formation of the Reconstruction Finance Corporation, known as Senate bill No. 1, was considered and discussed by the subcommittee on Banking of the upper house prior to the Christmas recess. Leading bankers, railroad officials, insurance company presidents and other financial experts were called in to give their views since the bill provides that loans may be made to "any bank, banker, savings bank, trust company, insurance company or other financial institution of the United States," or to the railroads in need of funds. It is possible that some changes will be made before Congress votes on this proposal.

While most of the industrial and financial leaders who have presented their views seem to favor the establishment of such a corporation as a vital need, there had developed a difference of opinion as to the extent to which it should make loans. Mr. Melvin A. Traylor, president of the First National Bank of Chicago, while testifying before the Senate committee, stated that the corporation should certainly be authorized to advance money to banks which have been obliged to close their doors; that this would enable millions of people to receive money which they had deposited in those institutions.

INDEPENDENT

Iraq, for many centuries known as Mesopotamia, is to become a fully independent state this year. This territory which belonged to Turkey before the World War has been under the protection of Great Britain for more than a decade. It was taken away from Turkey when the war came to a close, and was set up as a partially independent state under the super-

vision or mandate of the British. At that time, it was felt that it would be unwise to give the territory complete freedom. Internal conditions were none too stable because of the many racial, religious and tribal hatreds which were constant sources of disturbances. There was, moreover, danger of attack from neighboring tribes. It was thought, however, that with a strong power, such as Great Britain, as a director of its affairs, the country would be able to establish a government entirely capable of taking care of itself after a few years. Authority to act in this capacity was granted to Great Britain by the League of Nations.

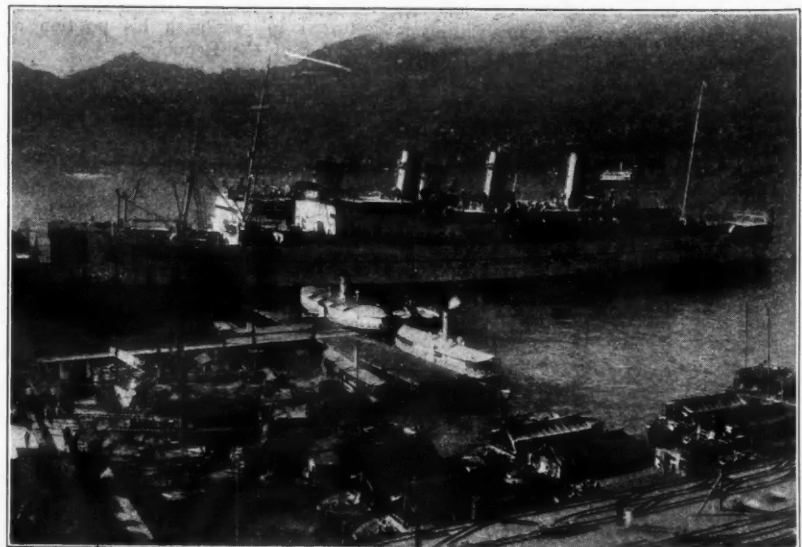
But it was not the intention of the League that Great Britain should remain permanently in charge of Iraq's affairs. England's task was to prepare the country for complete independence. This is the work which has confronted the British administrators since they were sent to Baghdad, the capital of Iraq. They have endeavored to create friendly relations among the various tribes and sects in order to be able to withdraw their authority. Thus, a responsible government was set up, and in 1927 Great Britain pledged herself to secure the entrance of Iraq into the League of Nations this year. In 1930, a treaty was signed between the two countries whereby Britain promised to withdraw her troops this year. It is very likely, therefore, that the Council of the League, when it meets on January 25, will permit Iraq to become its fifty-sixth member.

The state of Iraq occupies one of the most ancient and historic territories on earth, the valleys of the Tigris and Euphrates. According to tradition, it was in this region that the Garden of Eden was located. It is about half the size of the state of Texas, and particularly important because of its rich deposits of petroleum.

CHILD LABOR

During the past twenty years there has been a decided reduction in the number of children employed in this country. In 1910, it was revealed that two million children under the age of sixteen were engaged in gainful occupations. Ten years later, the number had been cut in half, one million being reported. The census figures for 1930 indicate that another sharp decline has taken place and it is estimated that only half a million children workers are to be found today. This means that now only one worker in a hundred is a child under sixteen. The falling off in the number of children employed is not a result of the depression. It is not a matter of their not being able to find jobs, for child labor was disappearing even during the prosperous years preceding the present crisis.

This year marks the two-hundredth anniversary of the first publication of "Poor Richard's Almanac," which Benjamin Franklin published for twenty-five years.



© Ewing Galloway
AN AMERICAN SHIP AND A COMPETING BRITISH VESSEL IN HONG KONG HARBOR
Shipping was one of the industries assisted by the War Finance Corporation. Now, as then, this industry is in distress, and may receive indirect help from the proposed Reconstruction Finance Corporation.



STREET SCENE

Many So Debt Pa

The many difficulties of the United States together with the severe overtaken European years, have distracted might be taking place in the territory. It should not be those nations have devastating effects. Their industries, their people have contented; their government problems of

The severity of nations south of the financial difficulties have been passing before the people time ago when it the past year some make payments of United States. D can governments—nicipal—did not p 000 due their credit mean, of course countries have rep citizens of the Un doubtedly make a they owe as soon vail.

For many years deavored to stimulations of South A that those nations and resources which only capital were also stated that t of opening new c United States; th try would be able icts for those of publics. It was l end that America America by purch felt that money le an excellent invest trade possibilities. houses even esta countries to the s this inter-America

It was during a war that trade between continents began war, South America the Old World. B European countries problems of the gr can commerce wa the United States the place which h



© Ewing Galloway

STREET SCENE IN PARA, ONE OF THE PRINCIPAL CITIES OF BRAZIL

South American Countries Unable to Meet Payments Here as Trade Drops Sharply

difficulties with which we in states have had to cope, to the serious crises which have distracted attention from what place in the ten nations in the territory of South America. It is supposed, however, that the effects of the world slump, too, have been sluggish; and their governments have had to cope with extreme gravity.

ty of the depression upon the of the Panama Canal and the difficulties through which they passing were brought vividly people of this country a short time it was revealed that during some of them were unable to pay on debts owed in the states. During 1931, South American countries—federal, state and municipal—did not pay more than \$800,000, or creditors here. This does not mean, however, that South American countries repudiated their debts to the United States; they will undertake an attempt to pay what soon as better conditions pre-

years Americans have endeavored to stimulate trade with the nations of South America. It was claimed that nations had tremendous wealth which might be developed if resources were made available. It was thought that this would be the means of new channels of trade for the continent; that industries in this country would be able to exchange their products for the products of the South American republics. Whereas South America takes less than 10 per cent of our total exports, Europe consumes almost one-half, Asia 15 per cent, the North American countries approximately one-fourth. Nor do the South American countries supply such large quantities of materials to feed the giant industries of the United States as the other large continents of the world. But while the 10 per cent of our products which go to South America may not seem very large in comparison to our total trade, it is nevertheless important, and the effects of the depression in South America have been felt in this country. It has contributed to the distress of our shippers and exporters many of whom have in the past done millions of dollars' worth of business with the South American countries.

ing and immediately after the trade between the two American continents began to expand. Before the United States America traded largely with the world. But when the attention of the United States was absorbed with the great conflict, South American trade was largely directed toward the United States, and this country took which had formerly been occu-

pied by Germany, Great Britain and France. American ships, bound for the ports of South America, left New York and San Francisco heavily laden with sewing machines, automobiles, ploughs, harrows, phonographs and other products. And they did not return without bringing heavy cargoes from those ports—coffee from Brazil, nitrates from Chile, meat and wheat from Argentina, petroleum and minerals from Venezuela. This trade increased year by year.

But the world depression dealt an unusually severe blow to South American countries. Much of their prosperity depends upon their exports of raw materials, and those products have declined in price in a violent manner during the past two years. Not only did many of them sink to pre-war levels, but by the end of 1931 they were 40 or 50 per cent lower than in 1914. The coffee growers have had thousands of bags of coffee heaped up in the warehouses of Sao Paulo—their product was even being used to fire the huge locomotives on the country's railroads. The nitrate miners of Chile have found few markets because of the development of artificial nitrogen used for fertilizers. The wheat growers have been burdened with abnormal surpluses. These conditions had a paralyzing effect upon trade, and the South American countries made smaller sales abroad last year. Their importations of American goods also dropped off—more than 50 per cent during the first nine months of last year.

South American trade, although important to the United States, does not occupy such a prominent position as does that of Europe, Asia, or the other North American countries—Canada, Mexico and certain Central American republics. Whereas South America takes less than 10 per cent of our total exports, Europe consumes almost one-half, Asia 15 per cent, the North American countries approximately one-fourth. Nor do the South American countries supply such large quantities of materials to feed the giant industries of the United States as the other large continents of the world. But while the 10 per cent of our products which go to South America may not seem very large in comparison to our total trade, it is nevertheless important, and the effects of the depression in South America have been felt in this country. It has contributed to the distress of our shippers and exporters many of whom have in the past done millions of dollars' worth of business with the South American countries.

THE STUDENTS SPEAK

Recently a vote was taken in a number of the leading colleges and universities throughout the country to determine the attitude of students toward the vital problem of disarmament. The results showed that ninety-two out of every hundred favored a cut in armaments. It is important that the American student is giving serious thought to disarmament, as it is he who will be affected if this nation should for any reason engage in a war in the future. It is not the politician, the statesman or the business man who will be obliged to take up arms in defense of their country, but the younger generation—the student in the school.

It is therefore of widespread interest to know that the students themselves have formed an Intercollegiate Disarmament Council, the purpose of which is to study and give information about the disarmament conference which will convene at Geneva February 2. This Council has been very active. It has passed a resolution requesting Congress to urge the conference to bring about a general reduction in armaments amounting to 25 per cent. Believing in the right of the students to voice their opinion in the matter of disarmament the Council sent a delegation to Washington to ask President Hoover to appoint a student to the American delegation which is being sent abroad to participate in the negotiations next month.

DISCOVERED!

Through a recent scientific discovery it is possible that infantile paralysis may become a thing of the past. This disease which has for so many years mysteriously taken hold of young children, often either causing their death or crippling them for life, has up to the present time baffled the medical world. No cure could be found for it because the germ could not be found. But now, Dr. Frederick Eberson of the University of California Medical School believes that he has located this germ. It is said to be microscopic in size, so small that 500,000 of them lined up in a row would be only one inch long. Dr. Eberson injected some of these germs into monkeys and all the typical symptoms of infantile paralysis were produced.

BICENTENNIAL STAMPS

As a part of the bicentennial celebration which is to be held this year to honor the two-hundredth anniversary of the birth of George Washington, the government has issued a new series of stamps. They were first released on January 1, and on that day 50,000 persons stood in line in Washington anxious to obtain the stamps and to have them cancelled on the same day. Most of these people were stamp collectors and many of them had come from all parts of the country in order to obtain the first of the series. The stamps will in time have considerable value, because of the date on which they were cancelled. The post office in Washington sold more than \$100,000 worth of stamps the first day they were on sale and made more than one million cancellations.

THOUGHTS AND SMILES

Standing on one's dignity is the pinnacle of all absurdities.
—Reginald Berkely.

Congressmen are permitted to park when, where and as long as they please in Washington. No wonder so many people want to run for Congress —Cincinnati TIMES-STAR.

We had a hunch when they reduced the size of money that the stuff would be harder to find.
—Ashland DAILY INDEPENDENT.

The way some of the Republicans in the Senate are getting behind Hoover, it might not be a bad idea for the President to carry a mirror.
—Miami DAILY NEWS.

Probably the most common form of radio interference these financially troubled days is the instalment collector.
—Columbus OHIO STATE JOURNAL.

In 1932, says a business forecast, manufacturers will limit their output to the actual needs of the country. Let's hope our lawmakers do the same.
—LIFE.

A Chinese newspaper man named Charley Gabb speaks more than a dozen languages. Who said "What's in a name?"
—Portland OREGONIAN.

English rabbit farms produce about one hundred and fifty thousand skins a year. This must be a comforting thought for nervous seals.
—London PUNCH.

The stock market's axiom seems to be that there is always room at the bottom.
—Arkansas GAZETTE.

Recent laboratory experiments show that a flea can live sixty-two days without food. The trouble with the fleas I have met is they don't know their own strength.
—Detroit NEWS.

One reason why public men are rather timid about raising taxes is that they don't know how much of something else the voters will raise, if they do.
—Boston HERALD.

The real friend of the people is not he who tells them they can do no wrong, but he who warns them against dangers of their own making.
—Former Governor Frank O. Lowden, Illinois.

PRONUNCIATIONS: Versailles (vehr-sayls', or French, vehr-sah'ye), Brüning (bruen'ing—the u and the e are pronounced simultaneously), Maya (mah'ya—last a as in final), Apache (a-pach'ee—first a as in acute, second as in hat), Toltec (tol'tek—as in not, e as in net), Raskob (rass'kob—as in not).



—Prepared for THE AMERICAN OBSERVER
SOUTH AMERICA

THE AMERICAN OBSERVER

Copyright, 1932
by the CIVIC EDUCATION SERVICE

Interpreting national and international events and analyzing currents of opinion. Published weekly throughout the year (except two issues in December) by THE CIVIC EDUCATION SERVICE, 3418 Fourteenth Street, N. W., Washington, D. C.

Subscription price, single copy, \$2.00 a calendar year. In clubs for class use, \$1.00 per school year or 50 cents per semester.

Entered as second-class matter September 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

EDITORIAL BOARD

CHARLES A. BEARD DAVID S. MUZZEY
HAROLD G. MOULTON E. A. ROSS
WALTER E. MYER, Editor

WEDNESDAY, JANUARY 13, 1932

REVIEW OF THE WEEK

WHEN Congress came back into session after the holiday recess, it was confronted by President Hoover's message. The president asked for quick work in dealing with the so-called "reconstruction" measures, or measures which are intended to furnish relief from the depression. The most important of these measures is the plan for government aid to banking and other financial and industrial institutions which we describe in one of our main articles. The president also asks for rigid economy and for increased taxation, since the government is falling more heavily into debt all the time and must make its receipts come nearer to balancing its expenses if its credit is to be maintained.



JAMES W. COLLIER

The leaders of both parties indicated that the more important reconstruction measures would be passed at once. No definite action has been taken by either house looking toward the increase of taxation, but measures to that end will doubtless come soon. The Appropriations Committee of the House of Representatives has, however, acted to cut expenses. Led by the chairman of the committee, Joseph W. Byrns, Democrat, it submitted to the House a deficiency appropriation bill. This bill appropriates money for a number of purposes to tide different departments of the government over until the end of the fiscal year, June 30. The significant fact about this appropriation bill is that it goes even further than the president had suggested in his budget estimates. The bill approved by President Hoover provided \$139,330,000 for the objects specified, and the bill recommended by the House of Representatives Appropriations Committee provides only \$125,886,000.

Whether or not such rigid economy is desirable is, of course, a matter of dispute. It cuts down the amount of money the government will have to spend and, considering the deficit in the treasury, that in itself seems desirable. But by limiting the government's building program and its expenditures in other directions it will, of course, have the effect of reducing the number of men that the government employs. Thus it will add to the unemployment problem.

The Democrats of the House have decided upon a tariff program. The chairman of the Ways and Means Committee, James W. Collier of Mississippi, has submitted a bill. It does not change the rates of duty on any particular items, but it provides that whenever the Tariff Commission recommends a change in the rate on any kind of goods the recommendation shall go to Congress as well as to the president. At present the president, and he alone, has the right to raise or lower tariff duties when a change is suggested by the Tariff Commission. The bill proposed by the Democratic Ways and Means Committee would give this power to Congress. The bill also requests the president

to call an international conference to consider the possibility of lowering tariff barriers.

On the first day after it came back from the holiday recess, the Senate passed a bill providing that 40,000,000 bushels of wheat which are now held by the Federal Farm Board be distributed free to those who are in need. The bill was introduced by Senator Capper of Kansas, Republican.

AS the new year opened, the interest of the public was fixed upon the business situation. Everyone was wondering whether the new year would bring relief from the depression, but few people ventured positive predictions. The first few days of the year saw a further decline in the stock market. The price of stock, or shares of ownership, in most corporations was at the lowest point, or near the lowest point, that had been reached since the depression began. The present time is one of uncertainty for several reasons. No one knows how much money the government will have to borrow, or how high the new taxes will be. Nor does anyone know how soon the bills for depression relief which the president is urging upon Congress will be passed, or just what their effects will be. A reparations congress will meet next Monday in Lausanne, Switzerland, but the action it will take is uncertain. So are the results of the disarmament conference which will meet at Geneva two weeks later.

The general opinion of financial writers is that these uncertainties will be cleared up in two or three months and that after that an improvement in conditions may be expected. The New York *Evening Post*, after summing up the uncertainties in the business situation—the issues, domestic and international, which are still unsettled—makes this statement:

At best, a conclusion must be in very general terms and burdened with reservations. Picking the exact month, or even quarter, when business recovery will start, such as was common last year, is not possible today. This does not mean, it should be emphasized, that business and financial leaders do not expect more or less recovery during 1932. Rather, it means only that it is believed until there is some clearing of the skies all general prophecies must too closely approximate mere guesses to be of any particular value.

THE situation in India has grown very serious. Riots have occurred in many parts of the country and something in the nature of a general insurrection is threatened. Mahatma Gandhi, the Nationalist leader, and a number of his followers have been arrested, and these imprisonments have added to the discontent.

We referred last week to the dissatisfaction of Indian Nationalists with the results of the London conference because of their failure to secure from Great Britain the promise of immediate independence. The All-India Congress, an organization of the Nationalists, or those who wish Indian

independence, has been stirring up agitation against the British. It has established committees throughout India and these committees are seeking to induce the people to boycott British goods and to refuse to obey laws established by the government of India, and to refuse to pay taxes. The program is one of passive resistance to British rule.

The Earl of Willingdon, the viceroy, or representative of the British government in India, has declared these committees to be illegal organizations and has forbidden their holding parades and other demonstrations. His repressive orders have inflamed the Indian Nationalists and there has been renewed rioting. There is a difference of opinion in England as to whether or not he has been tactful in his dealing with the problem. One view is that stern action was necessary in order to prevent a general revolt; and the other is that his measures have been unduly severe and have unnecessarily stirred Indian resentment.

IT IS reported that the Japanese, who captured Chinchow recently, have moved southward and are approaching the Great Wall, which separates Manchuria from China proper. This has created a very tense international situation. All over China the people are angry and excited. Assaults have been made in certain cities against not only Japanese but other foreigners.

Our own government is greatly concerned over the extension of military operations by the Japanese. Secretary of State Stimson is consulting with representatives of Great Britain and France, and it is thought that the three governments may unite in a vigorous protest to Japan.

ON January 3, Culver B. Chamberlain was driving through the streets of Mukden, Manchuria, on his way to Harbin where he was to assume the position of American consul. The car was stopped by three Japanese, two soldiers and a civilian interpreter. It was seen that the car carried an American flag, but the Japanese say that the Chinese frequently make use of the American flag for purposes of deceit. The Japanese apparently thought that the car was occupied by Chinese. Mr. Chamberlain showed his passport and other evidence of his official character. Nevertheless the Japanese climbed into the car and beat him. Evidence is conflicting as to the nature of the quarrel which preceded this attack.

The American authorities naturally were concerned over the incident, for an attack upon an official of one government by soldiers, or other agents, of another government is always regarded as a serious thing. It was the more unfortunate in this case



TESTING THE ICE
—From the Brooklyn Daily Eagle

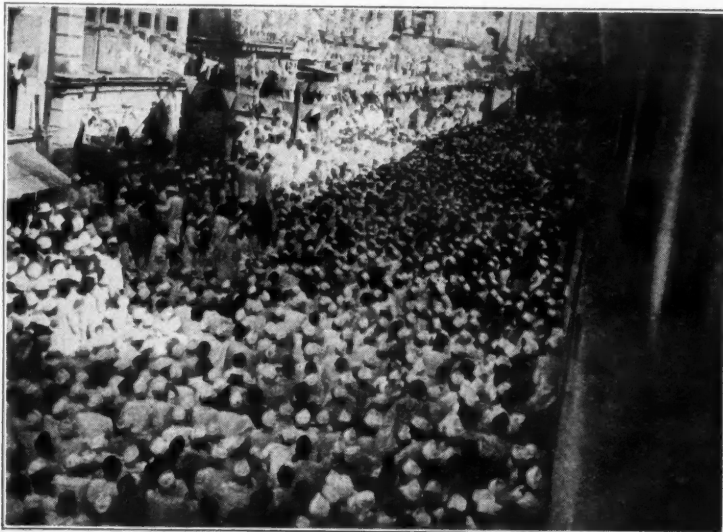
because relations between the Americans and the Japanese, though friendly, are somewhat strained by the persistent Japanese military operations in Manchuria in the face of American protests.

The United States government demanded of the Japanese an apology for the attack, and assurances that the guilty parties would be punished. Japanese officials in Mukden at once apologized and declared that the offenders would be dealt with, and similar assurances were afterward given at Washington by Ambassador Debuchi. If action to that effect follows, the incident will of course end without serious consequences.

JOHN J. RASKOB, chairman of the Democratic National Committee, has given up the plan which he advocated last spring of having the National Committee make a declaration respecting prohibition. Last March he sought to have the committee come out openly against prohibition and thus commit the Democratic party. The committee met in Washington, January 9, and Chairman Raskob made a proposal in the interest of harmony that the Democratic party should not declare itself either for or against prohibition, but that it should submit a constitutional amendment to the states. The proposed change in the Constitution would really be a modification of the eighteenth amendment. It would not repeal that amendment, but it would provide that any state, by a vote of its people, could establish the sort of liquor regulation it saw fit. The following is the text of the amendment which he wishes submitted to the states for ratification:

Nothing in the Constitution of the United States shall prevent any state from taking over complete control of the manufacturing, transportation, importation and sale of intoxicating beverages within its own territory and exportation thereof to such other states, countries and territories as do not prohibit same, provided, however, that the plan under which that state proposes to take over such liquor control is first approved by the people of that state in a state-wide referendum.

A comprehensive bill for naval building has been submitted to the House of Representatives by the new chairman of the Naval Affairs Committee, Representative Carl Vinson, of Georgia. The Vinson bill outlines a ten-year building program, the cost of which scattered over that period of time will be \$616,250,000. This measure looks toward the building up of the United States navy to the size which is permitted under the terms of the London Naval Treaty. At present our government does not have as large a navy as we might have and still keep within the limits of that agreement. There is a sharp difference of opinion as to whether we need a navy as large as the treaty permits us to build. Congress and the country is divided into two groups, the so-called "big navy" and the "little navy" factions. The Vinson bill represents the wishes of the large navy element, and it has the support of the leading navy officials.



RIOTING IN THE STREETS OF BOMBAY, INDIA

© Henry Miller

LIFE
It is pro
occupy as
shelves of
should. T
riods and
made almo
do, indeed
they deal
vividness
does the sto
play the lea
biographies
understandi
and the rea
interest as
which stude

"Woodrow
Ray Stannan
biographies
nishes mater
every class
The two fir
Wilson up to
ernor of N
published.
through his
Jersey, and
record to th
have now l
Doubleday,

The early
(the first v
set) describ
Wilson's po
ernor of N
battle again
state, secur
anti-trust l
sult of thes
didate for
dramatic st
tion is relat

In the so
Woodrow V
dency. His
tions with
China and
tariff revisi
Mexican c
Panama Ca



This illu
(Doubleday
aguration

THE LIBRARY TABLE

LIFE OF WOODROW WILSON

It is probable that biography does not take as much space on the reference shelves of our schools and colleges as it should. The systematic treatises on periods and problems to which reference is almost exclusively in many classes tend to clarify the subjects with which they deal. But nothing so effectively gives a sense of life to a historical period as the story of the human characters who played the leading roles. Some of our great biographies contribute immeasurably to an understanding of political and social facts. The reading of these biographies lends to the study as well as vividness to the studies. Students are called upon to make. Woodrow Wilson, Life and Letters," by Raymond Stannard Baker, ranks among the great biographies of this generation and it furnishes material which should be available to every class in history and social science. The first two volumes, bringing the life of Wilson up to the time when he became governor of New Jersey, have already been published. The third volume, carrying him through his period as governor of New Jersey, and the fourth, which brings the story to the beginning of the World War, are now being published. (New York: Doubleday, Doran, \$10).

The early chapters of the third volume of the first volume of the newly published biography describe the beginning of Woodrow Wilson's political career. He became governor of New Jersey, fought and won a hard fight against the political bosses of that state, secured the enactment of progressive legislation, and became as a result of these activities an outstanding candidate for the presidency in 1912. The third volume tells the story of his nomination and election related in this volume.

The second volume is the record of Woodrow Wilson's first year in the presidency. His choice of a cabinet, his relations with Bryan, his policy with respect to Latin-America, the struggle for revision and currency reform, the anti-trust legislation, the Panama Canal tolls controversy—all these

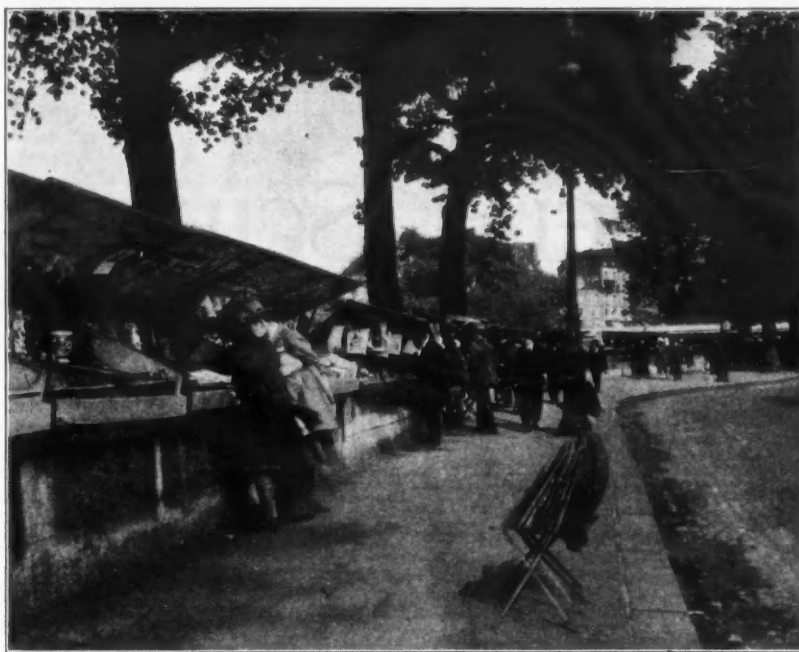
are fully treated. The volume closes with the death of Mrs. Wilson and the outbreak of the World War. These were great days in American history and this is an interesting and authentic account of them.

It is impossible in a brief space to do justice to these volumes. It is not enough to say that they cover one of the great periods in the life of the nation. It is not enough to say that they characterize with fairness, impartiality and rare insight one of the most prominent actors on the public stage during that time. The author's work is done accurately and painstakingly, but that is not all. It is not only authentic, but artistic as well. These two volumes are as interesting and entertaining as any bits of fiction which one is likely to find.

"COLUMBUS CAME LATE"

It is customary for people to think of the history of America as beginning with the discovery by Columbus, and since our institutions are so exclusively of European origin, there is much to justify this point of view. It is not to be assumed, however, that the continent was without a civilization worthy of mention before the coming of white men. In many respects the culture of several of the Indian tribes compared quite favorably with that which prevailed in the Old World. This is a point which Gregory Mason emphasizes in his new book "Columbus Came Late" (New York: Century Company, \$4.00). The idea behind the title of the book is, of course, that Columbus came late in the history of the American continent. An old civilization was already here at the time.

It is this civilization which Mr. Mason describes. He describes the tapestries of the ancient Peruvians, which for arrangement of color and design surpassed any in the Old World. He discusses the work of the surgeons of Peru and says that they were probably the first medical men in the world to use anesthetics in operations. He pictures the government of the Incas as constituting a successful experiment in socialism. He describes the roads of Peru, the great apartment houses of the Pueblos in New Mexico and Arizona, the pyramids



THE BOOKSTALLS ALONG THE SEINE IN PARIS
French life and customs are described in "The French Boy," by N. Vaillant-Couturier (Lippincott).

by the Toltecs of Mexico—pyramids which he says were three times greater in bulk than the biggest one in Egypt. Speaking of the Maya civilization, he says:

... In many ways life among the Mayas presented resemblances to life in the United States at the present time. In the Maya country, as in the United States, economic effort was fairly evenly divided among agriculture, manufacturing, and commerce. The trade routes of the Mayas compare favorably in extent and range with the trade routes of the ancient Phoenicians and Sumerians. The principle of the setback, so conspicuous in the sky-scrapers of New York, was first used by the builders of the Maya temples. Moreover, whereas our modern American architects are content to copy the column of the Greeks and have originated next to nothing, the Mayas devised the serpent column, unique in the entire world. Their great elevated stone roads were stronger and have endured better than have the roads of the Romans. Their painting and sculpture were superior to the art of the Egyptians.

But it was their wonderful system of writing, their knowledge of mathematics and of astronomy that should make modern Americans particularly proud of them. The Maya system of counting time presents dates which are the number of elapsed days from a mundane era that equals October 14, 3373 B. C., in the backward projection of our present Gregorian calendar. The Mayas put this calendar into operation on August 6, 613 B. C. Dr. Herbert J. Spinden states, "The writing out of the Maya calendar involved place value 1000 years before it was known anywhere in the Old World and an eral count of days 300 years before the first eral count of years in the Old World (the Era of the Seleucidae, October 1, 312 B. C.)." Maya mathematicians invented zero several centuries before its separate invention by the Arabs, and were able to multiply and divide ten centuries before Europeans could do so.

The author explains the failure of most present-day Americans to appreciate the pre-Columbian American civilization on the ground that the early European settlers came in contact, not with the Indians of most advanced culture, but with "primitive agriculturalists like the Algonquins, or bloodthirsty barbarians like the Apaches."

YOUTH IN FRANCE

M. Vaillant-Couturier, former member of the French Chamber of Deputies and editor of the great French newspaper, *l'Humanité*, has written a very interesting story of his youth—"The French Boy" (Philadelphia: J. B. Lippincott Company, \$2.50). The story was written in response to a set of questions, sent to France some time ago, about French schools and the conditions under which boys and girls live.

In form these recollections seem more like fiction than personal memoirs, for they are written in the third person. The author tells of his earliest recollections and of the things which impressed him when he was very young. Then we have several chapters of incidents of his boyhood, of his experiences in school, of his choice of an occupation. Perhaps the most interesting chapters tell of his vacations, one of which he spent with another boy walking through

Provence. The account of this journey on foot through the southern part of France tells of many amusing incidents, together with observations which provide vivid impressions of the life of the people.

One does not find in this book a detached description and analysis of social institutions as he would find, for example, in "Young Germany," which we reviewed in these columns a few weeks ago. He will, however, obtain an idea of life as it appears to a French youth. He will learn much about the French schools and something about French psychology.

POWER PROPAGANDA

The charge has frequently been made that the great gas and electric companies, referred to by those who are suspicious of their activities as the "power trusts," have undertaken by doubtful means to influence public opinion. The charge was investigated two years ago by the Federal Trade Commission, and the report of that body has been published in twenty-six volumes. Obviously this report is so voluminous as not to be of maximum use to the public. A digest of its findings was needed—a brief work which would give the more important results of the investigation. Such a book has been supplied by Mr. Jack Levin in his "Power Ethics" (New York: Alfred A. Knopf, \$2.00).

It must be said that Mr. Levin has not made an impartial and an unemotional study. He is a member of the research staff of the People's Legislative Service, an organization which undertakes to represent the interests of the people at large, and especially the consumers, and which is frankly suspicious of great corporations, such as the power companies. The author cannot be expected, therefore, to look upon the activities of the power companies with a sympathetic eye, nor can he be expected to examine the objectives of these companies dispassionately. He is convinced, and no doubt was convinced before he began the investigation, that the power companies have used undue influence upon the schools, that they have furnished misleading information, that they have secured the services of educators to carry on their propaganda, that they have used the public press for purposes of skillful and adroit propaganda, and that they have done all this in order to prevent such regulation of their activities as the public might otherwise have imposed.

Mr. Levin's book, however, is valuable, for, whatever his personal opinions may be, he has set forth an arresting body of definite and concrete facts, and has reinforced his statements by direct references to the records. He has quoted extensively from the records and from the documents of the power companies themselves. He has made an unquestioned contribution to an understanding of the methods by which public opinion is sometimes manipulated.



PRESIDENT WILSON AND HIS PREDECESSOR, WILLIAM H. TAFT
This illustration from "Woodrow Wilson, Life and Letters," by Ray Stannard Baker (Doubleday, Doran) shows the incoming and outgoing presidents following the Wilson inauguration in 1913.



SOCIAL SCIENCE BACKGROUNDS

By David S. Muzzey and Walter E. Myer

AS WE move forward from 1837, the period with which we were concerned last week, to 1840, we come upon another set of events which afford an excellent occasion for the correlation of past and present problems. The political campaign of 1840 saw the establishment of the national nominating convention as a permanent part of our political machinery. This device has been maintained by the parties since, though with certain modifications. A number of problems relative to the proper function of nominating conventions are still with us and further modifications are possible. The nature of the machinery whereby candidates for the highest national offices are chosen constitutes, therefore, a continuing problem.

As we pointed out in one of our earlier studies, the makers of the Constitution did not contemplate the control of the government by political parties. In the earliest days of the Republic the incipient parties were looked upon as factions which were to be deplored. But after the division between Republicans and Federalists had developed, the parties took into their hands the choice of presidential electors. It became customary for the Federalist members of Congress to meet and decide upon the man for whom each Federalist chosen to the Electoral College would be expected to vote. The Republican members of Congress likewise met and made a choice. This plan by which candidates were in effect nominated by party caucuses in Congress was never established by law. It simply became customary, and the plan prevailed through four presidential elections.

By that time it had become unpopular. Many people thought that the members of Congress belonging to a certain party should not take it upon themselves to commit their party to any one candidate. In 1820 and in 1824 the congressional caucuses held for the purpose of endorsing candidates were not well attended and their recommendations were not generally followed.

For a while it seemed that the endorsements or nominations might come from state legislatures. No state legislature could, of course, bind the members of any party to vote for the man whom it selected. It could merely propose a name to the voters of the nation and to the electors who were chosen to the Electoral College. In 1828 Jackson was thus recommended by the legislature of Tennessee. And state legislatures played a part in bringing candidates before the country for a number of years thereafter.

By 1831 we see the beginning of a new system—that of the nominating convention. In that year a short-lived party, the Anti-Masons, held a convention composed of delegates from many of the states, and the National Republicans, afterward known as the Whigs, also held a convention. Another convention met the next year and endorsed the Whig candidates. This 1832 convention was unique in the fact that it adopted a series of ten resolutions which became the first political platform ever presented to the

American people by a nominating convention. The Democrats held a convention in 1836 and nominated Van Buren. In 1840 the national nominating convention as a system became established, the conventions of that year containing delegates from all, or nearly all, of the states.

This plan of nominating the president and the vice-president was not recognized up to that year. As the election of 1840 approached, opposition to President Van Buren developed from many different sources, but it was not clear how these factions were to be brought together to the support of any one candidate. In the summer of 1837, more than three years before the election was to be held, a state convention of Whigs met in Ohio and suggested that delegates from all the states should meet in Pittsburgh in 1838 to select candidates for the presidency and vice-presidency. This convention recommended that the number of delegates from each state should be equal in number to the state's senators and representatives, and that the nomination should be by a majority of the delegates in the convention. This is interesting because it looked toward the establishment of the machinery which was finally adopted. This call for a convention was not heeded, nor was a similar call made by the Whigs of Pennsylvania the next year. Finally, however, the Whig members of Congress came together and called for a national convention which met at Harrisburg in December, 1839.

When the convention met it did several interesting things. In the first place it decided not to nominate the outstanding leader of the Whigs, Henry Clay. It chose, instead, a man who was not so able nor so well known,—William Henry Harrison. It felt that he had fewer enemies and would be likely to poll the votes of all those who were discontented with the Van Buren administration. He was

Precedents Set by Whigs

chosen partly because the Whig leaders thought they could use him as a rubber stamp. He was thought to be a minor politician who would do the bidding of the great leaders of the Whigs. Such a thing as this had never been done before. Previous to 1840 the candidates had always been outstanding national leaders—leaders preëminent in their own groups and in their own times. The precedent established by the Whigs in 1840 has been followed on numerous occasions since then.

The Whigs at that time did another interesting thing. They nominated for the vice-presidency a man who was out of harmony with many of their leaders. They named John Tyler for the reason that he represented a section of the country, the South. They would not at all have named him for the presidency, but they named him for the vice-presidency to catch votes which they would otherwise probably not secure. This precedent has often been followed since, and sometimes with results as unhappy for the leaders of the party as those which followed the nomination of Tyler. For Tyler, it will be remembered, succeeded to the presidency upon the death of Harrison, one month after his inauguration. He refused to accept dictation from the Whig leaders, and a split in the party resulted.

Still another interesting fact about this Whig convention was that it did not adopt a platform. The different factions, or groups, were not in agreement with each other. They were united only in opposition to Van Buren, and they thought it best not to try to agree upon party principles.

The Democrats also held a convention that year and renominated President Van Buren. They could not, however, agree upon a candidate for the vice-presidency, so they decided to name no one. They left the choice of a vice-presidential candidate to the Democrats of the various states. The idea was that the nominations

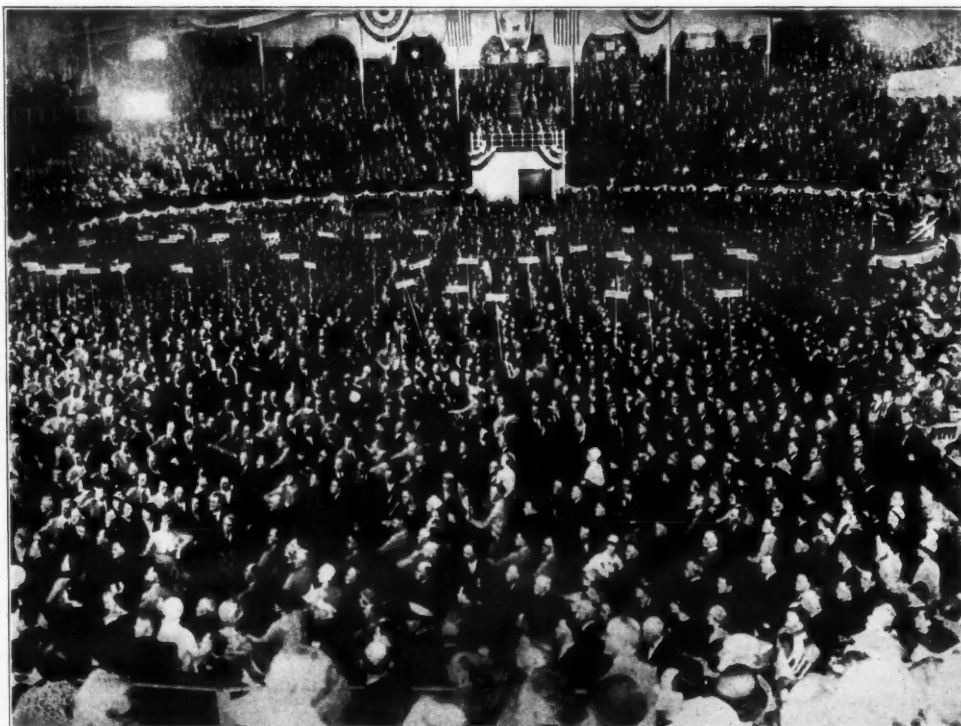
for the vice-presidency could be made in the same way that nominations for the presidency had been made previous to the establishment of national conventions. The different state legislatures, or groups of Democrats, might propose to the presidential electors names of men suitable for the vice-presidency. Then the Democratic members of the Electoral College could make the final choice.

These problems confronting the parties in 1840 are particularly interesting just now, for similar ones confront the parties of today. The Republican and the Democratic parties are almost as disunited in 1932 as the Whig Party was in 1840. In each party there are wets and there are

dry. There are those who believe in the revision of the debt settlements and those who do not. There are advocates and opponents of the World Court. There are those who believe in unemployment insurance and those who oppose it. There are advocates and opponents of almost every measure upon which the American people are divided. What will the parties do about this next summer? It is unlikely that they will do what the Whigs did. They will not refuse to write platforms, but it may well be that they will write platforms which ignore most of the highly controversial issues, and that in effect would be about the same thing.

The Republican Party will almost certainly do as the party in power did in 1840. It will renominate the president, even though he has had to bear the blame for a great depression, just as the president who was in power in 1840 had to do. The Democrats do not have any leader who occupies so commanding a position as Henry Clay did among the Whigs in 1840. But they have several very prominent candidates and they will have to decide whether to name one of them or to select a less powerful one who, like William Henry Harrison, has made fewer enemies. And both parties will have the same problem relative to the vice-presidency that confronted the parties in 1840.

Two possibilities of change in the nominating conventions and their power are to be noted at this time. Of recent years, the authority of the nominating convention has been diminished by the fact that in many states there are direct primaries in which the voters of each party express their preference for a presidential candidate. The delegates of that party to the national convention are then expected to carry out the wishes of the party voters of their states. If this practice grows the nominating conventions may cease to exist, the choices of the voters being expressed directly in their state primaries. Another change was advocated last year by the chairman of the Democratic National Committee, Mr. John J. Raskob. He was undertaking to have the National Committee, which is composed of a representative from each of the states, make a declaration of the party's stand on certain important questions, particularly prohibition. This plan, if carried into effect, would take away part of the platform-making power of the convention.



ONE OF THE NATIONAL CONVENTIONS OF 1928

The convention system, which had its origin a few years earlier, became a permanent part of our political machinery in 1840 and has continued since that time with few modifications.

© Henry Miller

appear to would, it is modelled in Italy. fast rules. that the st the first th individual mu that of the to function fore, under to do anyt good of the be best fo group of in

Hitler w experiment see how th prove unsu ect and lo this becaus rule as dict dictator m ple, but on be absolute

Although Hitler prog is in many would no le industries for the be or a group ganizations in the ma Likewise th that they earned inc not be abl tune. He to the wor ing to his points ther of opinion selves, an how far th ing social should hap

From w Adolf Hiti port? He a dle class, the small the profes circumstan profound Germany spect of a bringing al is Hitler's who are h without er different, y class, they ler is viol To many against th which has laboring c even peop governmen Brüning, b fall is ine choosing I munism.

Hitler m people out to find a those havi sorely affe many, and ard. As History:

Among t very low a poor. Mak average \$6 of them ea employes th 54 per cen only about This no d workers cor supporters. ference bet A young cl

HITLERITES GAINING STRENGTH IN GERMANY

(Continued from page 1, column 3)

to have any one set policy. He is known, set up a Fascist state, based largely on the one which exists today. Fascism in itself has no hard and fast rules. Its fundamental principle is that the state is supreme and is therefore the first thing to be considered. The individual must subject his own interests to the needs of the government which is designed for the benefit of all. Therefore, under the Fascist principle, it is right to do anything which seems best for the state, regardless of what may be best for any one individual or any group of individuals.

He would most probably proceed by intimidation, by trying things out to see how they work. If the attempt should be unsuccessful he would drop the project and look for another. He could do this because, like Mussolini, he would be a dictator. He has said that the people must be chosen by the people, and once elected, his power must be absolute.

Although subject to change, the program, insofar as it is known, is many respects socialistic. There are no longer to be in Germany large corporations and corporations existing for the benefit of a few individuals or a group of stockholders. Such organizations would function somewhat in the manner of public utilities. The Fascists have announced that they would do away with unearned incomes. One person would be able to build up a large fortune. He would be paid according to the work he might do and according to his abilities. But on these points there seems to be a difference of opinion among the Fascists themselves, and it cannot be said just how far they would go in introducing socialism in Germany if they should happen to come into power.

HITLER'S FOLLOWING

From what type of people does Hitler draw the greatest support? He appeals mainly to the middle class, the "white collar" class—small shop-owner, the clerk and professional man in moderate instances. He has also made a great influence on the youth of Germany because he holds out the prospect of a change. It is this promise of a change in Germany that gives Hitler his greatest strength. The people are hard pressed and those who are out of employment want things to be different, yet, unlike many of the laboring men, they do not want Communism. Hitler is violently opposed to Communism. Many he is Germany's only hope against the introduction of this system. He has made such headway among the middle class or proletariat. There are many people who would like the German government to remain as it is, under Dr. Brüning, but who, believing that his downfall is inevitable, are supporting Hitler, seeing Fascism in preference to Communism.

He makes a particular appeal to the unemployed because he promises a job for every Fascist. But even those having work are discontented and are affected by the depression in Germany, and therefore rally under his standard. As Gerhard Fritters says in *Current History*:

"Among the white-collar workers salaries are low and the prospects of advancement are small. Male office employees receive on an average \$63.57 a month, with 50 per cent earning less than \$59.52. For female employees the average is \$37.38 a month, with 50 per cent receiving less than \$35.70, and about 7½ per cent more than \$59.52. No doubt explains why women office employees constitute more than half of Hitler's followers. There is, moreover, a sharp difference between salaries of old and young. A young clerk receives only a half or a third

of what is paid to an older person, and the constant tendency is to replace the seniors with younger men and women as soon as the age of 45 is reached. Even the ordinary laborer as a rule earns more than the trained office worker, and the income of the skilled workman is sometimes twice that of the young clerk.

It is for reasons such as these that the National Socialist or Hitler party was able to poll 6,000,000 votes at the last elections. The extent of discontent affords some evidence to support Hitler's claim that he has at least 15,000,000 followers in Germany. He promises to better the condition of life of this class of people. He is pledged to relieve them of the burden of paying reparations, and he is determined to ward off an ever-menacing Communist régime.

FOREIGN COMPLICATIONS

We come, finally, to a consideration of the effects which a Fascist Germany would have on the rest of Europe. For some time now Germany's neighbors have been anxiously watching the growth of the Hitler movement. They have been anxious

GOVERNMENTAL EXPENSE

An explanation of the embarrassing financial situation which confronts the national government may be seen in recent figures of governmental expenditure. While the revenues of the government have been falling off, the expenses have been mounting. Among the chief items of increase are the payments to war veterans and for agricultural relief. A statement of the total expenses of the government does not mean so much to the ordinary person because it is hard to comprehend the meaning of figures running up into the billions. It is easier to see what these figures mean when we translate them into terms of expenses per individual.

When we do this, we find that while the expenses of the government amounted to less than eight dollars per capita before the war, they now amount to thirty-four dollars. The governmental expenditures were about thirty-seven dollars during the last year of the Civil War, and during the last year of the World War they were



A DEMONSTRATION OF THE "STEEL HELMETS" IN BERLIN

The Fascists, or Hitlerites, and the "Steel Helmets," a militaristic organization which is trying to restore Germany's old military glory, are threatening German (and European) stability.

because Hitler has been so strong in his denunciation of the Versailles Treaty. They are not sure just what he may attempt to do in case he should become the dictator of Germany.

It is certain that Hitler could make no effort to force a revision of the post-war treaties, and to restore former German territory to that country, without provoking a disturbance so serious that war might result. But it appears doubtful that he would go so far. He knows well that France and the countries which have gained through Germany's losses after the war, would strenuously oppose any movement toward revision. Germany is in no position to engage in any kind of conflict at the present time. To provoke such a disturbance would mean almost certain ruin. It seems likely that once at the head of the government, Hitler would become more moderate, and while he might agitate for and demand a revision of the treaties, he would be careful not to mobilize the arms of Europe against Germany.

With respect to reparations, however, Hitler has definitely committed himself. One of his greatest arguments is that he will free Germany from this burden if given the opportunity. Thus, he would almost certainly refuse to make any further payments on the debts of the German government to the European nations. It is difficult to say what the result of this would be. It does not appear that any nation would go to war on account of it. It would, beyond doubt, create a serious breach between France and Germany, more serious than any which has existed since the war. What this might lead to it is too early to foresee.

\$176.40 per person. By 1927 many of the costs incident to the war had been taken care of, so that the per capita expenses of the government had fallen to less than thirty dollars. Since then they have been moving upward.

The Democrats have captured another seat in the House of Representatives. William N. Rogers was elected on January 5, from a New Hampshire district which is ordinarily rather heavily Republican, to fill a vacancy caused by the death of the late Fletcher Hale. Every seat in the House of Representatives is now occupied, there being no vacancies. There are 220 Democrats, 214 Republicans and one member of the Farmer-Labor Party.

FOREIGN TALKIES

The moving picture industry, one of America's largest, was confronted with a serious problem when the talkie replaced the silent film. Up to that time, the various companies encountered few difficulties in exporting their films to foreign countries and having them appreciated by the theatre-goers. But with the talkies, this could no longer be continued because of the spoken dialogues. Several attempts have been made to work out some scheme whereby the export trade would not be lost. At first, the dialogue was made for the original film in the language of the country—French, German, Spanish or Italian. But this was doomed to failure because the spoken words did not correspond to the lip movement of the American actors. Then, an entirely new version of the production was made in the foreign

tongue, but this had little success because the actors were not well known.

Recently, however, a plan which has been highly successful was devised. The American actors continue to appear in the film and the foreign dialogue is made by using special words which correspond exactly to the lip movements of the original actors. It is, of course, a difficult task, but some excellent results have been obtained, and audiences in Berlin are permitted in this manner to see and hear Will Rogers speak a perfect German.

NO TOBACCO

"We won't sell our tobacco at such low prices," many American tobacco planters have said this year upon taking their wagons to the markets of the South. "We would rather haul it back home and use it for fertilizer." And so for the past month or more many of the larger tobacco markets of the United States—Owensboro, Kentucky; Wilson, North Carolina; Lexington, Kentucky; and others—have been the scenes of disturbances of such a nature that many of the tobacco auction sales have been closed down. The farmers claim that they are receiving starvation prices for their tobacco, and that they will not sell it for six, seven, eight, or nine cents a pound when it costs them eleven or twelve cents to produce.

This revolt of the tobacco planters in some sections has resulted in a promise on the part of many of them to plant no tobacco next year under such unsatisfactory conditions and with low prices. They have been particularly bitter in their attack upon the large manufacturers of tobacco products, claiming that these interests are amassing huge profits while the planters are constantly losing money. They fail to see why they should not share in the profits of these huge concerns which, they point out, amount to millions of dollars every year.

MUSEUM LACKS FUNDS

In a recent number of THE AMERICAN OBSERVER we reviewed the book "To the Ends of the World and Back," which describes the exploits of the men who go to the four corners of the world to obtain new information for that great scientific institution, the American Museum of Natural History, in New York. This institution has the greatest collection of specimens of early animal life to be found anywhere in the world. In 1930 it had thirty-four expeditions gathering material on all the continents. Last year it was obliged to reduce the number of expeditions to thirteen, and now comes the report that the work of the museum is being further affected by the depression. The president, Henry Fairfield Osborn, announces that exploration and field research will have to be given up during 1932. The museum had an endowment of \$15,000,000 last year and now Dr. Osborn says that unless it secures an additional endowment of \$7,500,000 it will, by the first of next year, "find itself unable to carry out its university, college, normal and high school and public school educational program."

FINLAND GOES WET

Finland, which has had prohibition about as long as the United States, has decided to abandon it. A recent ballot was taken among the people on the question and 70 per cent of them voted for repeal of the prohibition law. The president of Finland has called the Parliament into an immediate extra session in order that it may act on a bill which will make the sale of alcoholic beverages legal once more. This action on the part of Finland leaves the United States as the only nation prohibiting the use of intoxicating liquors.

What a world! By the time you're important enough to take two hours for lunch, the doctor limits you to a glass of milk.

—WORLD CALL.



© Henry Miller
MARY EMMA WOOLLEY

Woman Educator Is Arms Delegate

U. S. Sends Mary E. Woolley, Head of Mt. Holyoke College, to Geneva

The appointment of Miss Mary E. Woolley as one of the American delegates to the disarmament conference, which opens in Geneva next month, is an event of considerable significance in American political life. Never before has a woman been given a place on a diplomatic committee of such importance.

Although this will be Miss Woolley's first occasion to participate directly in international negotiations, she has already earned a place among America's leading advocates of disarmament, and has long urged the substitution of peace and harmony for national pride and ambition as ideals for the peoples of the world. She is convinced, furthermore, that many international misunderstandings may be traced to the unfamiliarity of the average person with the customs and modes of thinking of those who live in foreign lands.

It is in education, according to Miss Woolley, that the most effective steps may be taken to clear up the widespread ignorance surrounding international affairs. During her thirty years as president of Mount Holyoke College in Massachusetts, she has attempted, and with a large measure of success, to instill into the minds of her students an interest in world affairs. Many of them are now actively participating in organizations for the study of foreign relations, and each summer a number of them are to be found in Geneva, where they can observe at close range the workings of the League of Nations.

Miss Woolley's public activities in the past have covered a wide range. She was a staunch campaigner for the nineteenth amendment, which grants women the right to vote at the polls. It is her conviction that women, through their influence in the home and in the school, can often do more than men in the actual basic preparation of children for a real understanding of what is going on about them.

In 1925 and 1927, Miss Woolley attended the Institute of Pacific Relations at Honolulu. This group meets every two years for unofficial discussions on any subject which might be of interest to countries bordering on the Pacific Ocean. (See AMERICAN OBSERVER, November 4, 1931.) In 1922, Miss Woolley was the only woman member of the China Education Commission, which made a six months' tour of China. In recent interviews, Miss Woolley has expressed her approval of President Hoover's recommendation that expenditures on our national armaments be reduced.

California Counties Prepare for Growth Through Planning Boards

Each Must Set up a Special Commission to Investigate Rural and Urban Conditions; Development Then Directed Along Orderly Lines

One of the most important qualities of the business executive is that of foresight, or capacity to plan for the future. During the past few years, people have begun to realize that what is necessary in private business is quite as essential in public administration. As a result, more and more cities and counties are taking steps to provide for future expansion and eventual needs. The increase of population necessitates more extensive housing accommodations, more roads, additional police and fire-fighting services—in short, the whole governmental machinery must broaden to meet new conditions.

The state of California affords a very good example of what is being done. Agitation for a higher degree of foresight in county government in that state dates back to 1923, when county planning commissions were proposed. There were legal difficulties, however, which prevented any large-scale application of the measure, and it was only in 1927 that the state legislature passed a bill permitting their creation; in 1929, they were made obligatory.

These commissions, composed of highly trained experts in real estate planning, agriculture, and local administration in general, have enormous tasks before them. Each must make a thorough analysis of every inch of the county in which it operates. The whole area is divided into urban (city) district, or rural (country) district. The rural districts are further qualified as "forest land," "crop fields" or "grazing pasture." This information, based on scientific research, is of great value to landowners, as it aids them to put their property to the most profitable use.

Urban districts are thoroughly analysed, and the probable rate of growth is calculated. In this way, the outlying districts may be subdivided, so that as the population grows, expansion into new territory may be effected in an orderly and pre-arranged manner. In the past, unscrupulous real estate manipulators have planned new areas, keeping in mind their own advantage rather than the interests of the community. They have charged high prices for so-called "business frontage," or sections which would supposedly be occupied by shops and commercial buildings. Often, too much "business frontage" was sold, and the new district could not absorb it. Thus,

those who bought the lots and put up buildings were unable to rent all the space. Such practices are made extremely difficult under the new commission, however, which keeps a constant check on real estate development, especially in and around cities.

Another function of the commission is to zone the county into police districts. In badly managed counties, it often happens that some districts have too much police protection, while others are neglected. The commission is designed to furnish the county executives with information which will make such a condition easy to remedy.

Thus far, the system is reported to be very satisfactory. It has been in operation somewhat longer in the counties of Santa Barbara and Monterey, both of which are reputed to be among the best governed in the country.

STATE DEBTS

A number of states are finding themselves faced with a situation similar to that which exists in Washington in the matter of financial difficulties. Just as the national government is confronted with the problem of a large deficit so there are many states heavily in debt. At the end of 1930 the total deficit of all the states of the union amounted to almost two billion dollars.

Since the war the indebtedness of states has mounted steadily. In 1915, state debts averaged \$3.75 for every man, woman and child throughout the country. Last year the figure was \$15.02. One of the principal causes for this upward trend is the huge sums which states have been spending for education and the construction of roads and public works. But a great deal of progress has been made along these lines, and while many states may find themselves in debt at the present time, business has increased considerably because of the better highways existing today.

Then it must be said that not all the states are badly in debt. For instance, Florida has a debt equal to only 12 cents for each person. But on the other hand Arkansas has a per capita debt of \$65.03, due largely to the amount of money which that state has been obliged to expend to combat the floods and droughts of recent years.



MELVIN A. TRAYLOR

Chicago Financier Wins Recognition

Melvin Traylor Draws Attention of Democratic Party

During the period preceding a presidential election, there is nearly always a considerable amount of speculation as to which men are most likely to be the standard bearers of their parties. As the 1932 contest draws nearer, practically all this speculation is confined to the Democrats, since President Hoover is generally conceded the Republican nomination.

Dozens of names have been mentioned as possible Democratic choices. Some are receiving serious consideration; others are not. There is one man, however, who, while ever in the background, is being talked about more and more as a possible Democratic nominee. He is Melvin A. Traylor, president of the First National Bank of Chicago.

Mr. Traylor has no nation-wide political reputation, for he has never engaged in active politics. To the banking and business world, however, he is a familiar and influential figure. Born in the Kentucky hill country, he moved to Texas when he was twenty years of age. There he established a law practice, but abandoned it after a few years. He took a cashier's post in a small country bank, and has gradually worked up to the top of America's fifth largest banking institution.

Aside from personal traits of affability and vigor, he is best known for his independent thinking and unhesitancy in breaking with what he deems to be outworn. On one occasion, before the assembly of the International Chamber of Commerce last May, he informed the bankers and business men of the world that stock market manipulations were nothing more than "plain crap-shooting." This remark brought down upon his head a storm of criticism, but at the same time evoked favorable comment.

In 1929 and 1930, Washington authorities named him, with Owen D. Young, to act as American committeeman in the organization of the Bank for International Settlements at Basle, in Switzerland. Only recently, he was called before the Senate Committee on Banking to testify concerning the proposed Reconstruction Finance Corporation, a project which he endorsed heartily. (See Page 1)

The federal government has recently finished construction work on the new Department of Commerce building in Washington. This structure now becomes the largest office building in the world. It occupies about eight acres of ground, some three city blocks, and was erected at a cost of \$17,500,000.



THE COURT HOUSE, SANTA BARBARA, CALIFORNIA

This county has the reputation of being one of the best governed in the country.

© Ewing Galloway